

Pension Fund Committee

Meeting to be held on Friday, 2 December 2016

Electoral Division affected: (All Divisions);
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Responsible Investment

(Appendix 'A' refers)

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Executive Summary

The report at Appendix 'A' provides the Pension Fund Committee with an update on Responsible Investment matters.

Responsible Investment (RI) encompasses a range of stewardship activities associated with Lancashire County Pension Fund (LCPF) fulfilling its fiduciary duty to act in the best long term interests of fund beneficiaries.

Recommendation

The Committee is asked to note the report.

Background and Advice

The Pension Fund Committee receives a quarterly report on RI related matters as part of the investment management services provided by LPP - the Fund's external provider of pension services.

The report at Appendix 'A' has been prepared by the Responsible Investment Officer at LPP Investments Ltd and provides information on how the Fund is fulfilling its commitment to long term responsible asset ownership in line with the approach it has set out within its Statement of Investment Principles and Investment Strategy Statement.

For the purposes of reporting on voting, engagement and litigation monitoring, the information provided within Appendix 'A' relates to the third quarter of 2016/17 and focusses on the period from 1st July to 30th September 2016. For the purposes of reporting on active investing, more recent developments are reflected as part of bringing current and emerging issues to the Committee's attention.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

It is a key component of good governance that the Fund is an engaged and responsible investor committed to actions which are in the best long term interests of fund members and beneficiaries.

Responsible investment practices underpin effective fulfilment of the Administering Authority's fiduciary responsibilities.

The promotion of good corporate governance within the companies the Fund is invested in reduces the risk of unexpected losses arising as a result of poor oversight and lack of independence.

Involvement in a non-US type of “class action” may result in the recovery of losses incurred by the Fund but, should the claim be lost, the Fund may incur related costs which may not be known with certainty at the time of filing.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A